



United Retail Federation

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MEDIA RELEASE

Rudd's *Henry Tax Reform* is more smoke and mirrors than Small Business saviour.

Driscoll- "It is now clear that this review has been a masquerade with giant tax grabs"

Sunday, 2 May 2010

A peak national industry body, the **United Retail Federation**, has labeled the Henry Review as a "giant tax grab" saying it was bitterly disappointing for small business.

Scott Driscoll, National President of the United Retail Federation, said the Henry tax review was masquerading as reform whilst in reality it was a giant tax grab that would stifle Australia's economy. The idea of "root and branch tax reform" is simply missing in action.

"The degree of sleight of hand in this latest review from the Rudd Government would make a professional magician proud. There are no real productivity gains and this is not a long term structural taxation review that will serve anyone much beyond the next election," Mr Driscoll said.

Mr Driscoll also said that the small business community would not take this review too seriously as it was clear the Rudd Government is not serious in structural reform of Australia's taxation system, adding that the minor tax cut to small business was not going to be felt after the increased superannuation burden and 40% mines tax flows through to the economies of the mining states.

“The negligible 2% tax concessions may as well be non-existent because it will be more than eaten up by the increase in superannuation charges along with the anti-business tax on the resource sector. This will have consequences and flow on effects right through the entire economy. It is very disappointing and an opportunity lost for Australia.

“The changes to company tax rates are off into the never never. Small business needed action now by way of genuine and sweeping taxation reform. The Rudd Government has failed Australian small businesses.

“There is no popping of champagne corks from the small business community and the retail sector that I represent. There have been no real structural changes to make it easier for small business to comply with the tax system.

“Is it any wonder that Australia sits 47th in the world rankings of tax, behind countries like Latvia and Kuwait... even the West Bank and Gaza strip, a place of constant upheaval, is ranked as having a simpler tax system for business.”

(**World Bank Rankings:** <http://www.doingbusiness.org/features/taxes2010.aspx>)

For further comment please call Scott Driscoll on 0413 831 045.